VZCZCXYZ0000 PP RUEHWEB

DE RUEHTV #1780/01 2221205 ZNR UUUUU ZZH P 101205Z AUG 09 FM AMEMBASSY TEL AVIV TO RUEHC/SECSTATE WASHDC PRIORITY 2982 RHEHAAA/WHITE HOUSE WASHDC PRIORITY RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RUEAHQA/HQ USAF WASHINGTON DC PRIORITY RUEADWD/DA WASHDC PRIORITY RHMFIUU/CNO WASHINGTON DC PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RUEHAD/AMEMBASSY ABU DHABI PRIORITY 5781 RUEHAS/AMEMBASSY ALGIERS PRIORITY 2360 RUEHAM/AMEMBASSY AMMAN PRIORITY 6353 RUEHAK/AMEMBASSY ANKARA PRIORITY 6591 RUEHLB/AMEMBASSY BEIRUT PRIORITY 5834 RUEHEG/AMEMBASSY CAIRO PRIORITY 4440 RUEHDM/AMEMBASSY DAMASCUS PRIORITY 6670 RUEHLO/AMEMBASSY LONDON PRIORITY 3460 RUEHFR/AMEMBASSY PARIS PRIORITY 1670 RUEHRB/AMEMBASSY RABAT PRIORITY 0350 RUEHRO/AMEMBASSY ROME PRIORITY 7861 RUEHRH/AMEMBASSY RIYADH PRIORITY 2858 RUEHTU/AMEMBASSY TUNIS PRIORITY 6853 RUCNDT/USMISSION USUN NEW YORK PRIORITY 8907 RUEHJI/AMCONSUL JEDDAH PRIORITY 1679 RUEHJM/AMCONSUL JERUSALEM PRIORITY 2540 RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 001780

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

SIPDIS

E.O. 12958: N/A TAGS: <u>OPRC</u> <u>KMDR</u> <u>IS</u>

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

¶1. U.S.-Israel Relations

12. Mideast

Key stories in the media:

Yediot reported that the members of the Quartet are trying to arrange a meeting between PM Benjamin Netanyahu and PLO Chairman Mahmoud Abbas during the course of the UN General Assembly meeting in September in New York.

The media reported that yesterday Deputy FM Ayalon used polling figures showing continued and even increasing support for Israel among Americans to counter a highly critical memo from the Consul-General in Boston. Consul-General Nadav Tamir argued that the governmentQs policies were damaging U.S. public support. Israel Radio reported that FM Avigdor Lieberman advised Tamir to resign.

Major media reported that the exchange of rhetoric between Hizbullah and Israel escalated further yesterday, as a senior official for the organization, Hashem Safi a-Din, predicted that the "war of 2006 will seem like a joke" next to Hizbullah's reaction if Israel should attack. Deputy FM Daniel Ayalon said that, "if one hair on the head of an Israeli representative or tourist is harmed, we will see Hizbullah as responsible and it will bear the direst consequences." Speaking on Israel Radio on Thursday, DM Ehud Barak said that Lebanon would be considered responsible in case of a major Hizbullah attack.

Several media reported that Israel and Hamas recently resumed intensive negotiations on a deal for the release of Gilad Shalit. Yesterday the Palestinian News Agency reported that the parties are close to an agreement. HaQaretz reported that the Prime Minister's Bureau refused to comment on the Palestinian report. But political sources in Jerusalem denied that the sides are close to an agreement, saying the news agency report was merely "spin" by the Palestinians. The sources also said the report came from Islamic Jihad activists who were seeking to foil any progress toward release of the kidnapped soldier. "There is no dramatic progress in the case of Gilad Shalit," said one. HaQaretz reported that Egyptian sources also denied that there have been any significant developments on the issue of Shalit, who was abducted by Hamas in a cross-border raid into Israel three years ago. They said the parties have not exchanged any new lists of Palestinian prisoners to be released, nor have high-level delegations from either side visited Egypt to discuss the case.

The Jerusalem Post reported that yesterday FatahQs sixth General Assembly approved a political platform that emphasizes the PalestiniansQ right Qto resist occupation in all forms.Q The conference also endorsed a resolution that defines Fatah as a Qnational liberation movement whose goal is to remove and defeat the occupation.Q The statement also stressed the Palestinian refugees right to return to their original villages inside Israel. newspaper reported that yesterday DM Barak was critical of the positions expressed at the assembly in recent days, saying at the start of the weekly cabinet meeting that the Orhetoric coming from Fatah and the positions being expressed are grave and unacceptable to us.Q However, he said: QIt must be understood that there is no solution in the Middle East other than a comprehensive [peace] deal, which includes us and the Palestinians, Q Media also reported that yesterday Fatah endorsed the creation of a Palestinian state alongside Israel, underlining its ideological conflict with the Islamist Hamas and drawing political battle lines for their next election showdown. Media quoted PA President Mahmoud Abbas as saying on Saturday: "We will continue our struggle and with the path of resistance until we establish our state whose capital is a united Jerusalem that is purged of settlements and settlers. We are determined to liberate the 11,000 Palestinian prisoners who are incarcerated in Israel."

Leading media reported that yesterday two Qassam rockets and a mortar shell landed in the Negev. Israel Radio reported on an IAF retaliation raid against smuggling tunnels in Gaza. There were no victims on either side.

Over the weekend media cited a document put together by U.S. National Intelligence Director Dennis Blair that Iran will be unable to produce weapons-grade enriched uranium in sufficient quantities to produce a nuclear weapon before 2013.

On August 9, The Jerusalem Post reported that the IDF is sending QCapt. Asher,Q one of the brightest members of the Ground Forces CommandQs Technology and Logistics Department, to the U.S., where he will conduct research in a leading laboratory that specializes in discovering underground oil reserves.

The Jerusalem Post quoted Jeff Halper, the director of the Israel Committee against House Demolitions (ICHD), as saying that the Spanish government is paying for 42 people to come here and rebuild two Palestinian homes that Israel deemed illegal and tore down in Anata in northern Jerusalem. ICHD is in charge of the project.

The media quoted PM Netanyahu as saying at yesterdayQs cabinet meeting that the 2005 disengagement from Gaza and the northernmost part of the West Bank should never have happened. Netanyahu vowed never to withdraw unilaterally from territory held by Israel. QWe will never repeat this mistake,Q Netanyahu said.

On August 9, HaQaretz quoted Syrian Ambassador to Washington Imad Mustafa as saying that President Obama has removed several items from the list of goods the U.S. refuses to sell Syria. The goods include civil aviation equipment.

Leading media quoted the Cairo daily Almasry Alyoum as saying on Saturday that Egyptian security forces have uncovered a plot to murder Israeli Ambassador Shalom Cohen.

The media reported that some parliamentarians have attacked PM Netanyahu for Failing to appoint his own settlement adviser. Some sources who spoke with The Jerusalem Post speculated that Netanyahu was waiting to reach an agreement with the U.S. on the issue of settlements, and that only then would he appoint a settlement adviser.

Former U.S. Defense Secretary William Cohen was quoted as saying in an interview with Maariv that former President ClintonQs visit to North Korea had far wider implications than what was published. Cohen is also optimistic about the Israeli-Palestinian conflict and pessimistic about Iran. He was quoted as saying that the fear of Iran is much bigger today than enmity towards Israel, and that he has no doubt that President Obama is a friend of Israel who tries to push forward a two-state solution.

Maariv noted that New York Times columnist Thomas Friedman cited a Maariv story about the improvement of life in Nablus in one of his columns.

HaQaretz and Maariv reported that DM Barak attended the introduction ceremony of a Torah scroll in a synagogue of the Muslim Quarter of the Old City of Jerusalem. The synagogue was reconstructed with the financial support of Irving Moskowitz, the patron of right-wing NGOs in East Jerusalem.

The Jerusalem Post reported that, in an effort to present IsraelQs version of Operation Cast Lead to the world, the defense establishment has, for the first time, composed a counter-report to a damning document on the IDFQs conduct published by Physicians for Human Rights-Israel (PHR) earlier this year. The Jerusalem Post cited PHRQs response that the IDF document is not sourced, inaccurate, and superficial.

HaQaretz reported on an Israeli sweatshop in Jordan. The daily reported that the National Labor Committee, a U.S.-based workers' rights organization, has released a report accusing the Musa Garments factory in Jordan of employing workers under inhuman conditions, and charges the company with "human trafficking, abuse, forced overtime, primitive dorm conditions, imprisonment and forcible deportations of foreign guest workers." The report says that the cheap production costs for Israeli labels is a very expensive price for workers' rights at Musa Garments.

On August 9, Yediot reported that PM Netanyahu intends to make a state visit to India in the next few months.

Leading media reported that Shas leader and Interior Minister Eli Yishai has asked President Shimon Peres to grant clemency to former cabinet minister Shlomo Benizri, who was sentenced to 4 years in jail on corruption charges. Yishai invoked his qualities of QSephardiQ and QVice PM.Q The media said that Yishai alluded to the case of former deputy cabinet minister Naomi Blumenthal, whose prison and fine sentence was commuted to community service by Peres in 2007. The mainstream media said that Yishai released the Qethnic genieQ from the bottle.

The Jerusalem Post reported that more than 100 Jewish and Arab Israelis are calling on American entertainer Madonna to call off her Tel Aviv concerts, scheduled for September 1 and 2. The group was quoted as saying that Israel does not practice Qthe Jewish concept of Qtikkun olam,Q (healing the world), as Palestinian dignity and life are being trampled upon.

Leading media marked 80 years of the massacre of 67 Jewish residents of Hebron.

The Jerusalem Post cited the results of Tel Aviv UniversityQs War and Peace Index, conducted on June 30-July 1.

More than 60% of Israelis endorse PM NetanyahuQs plan for continued building to accommodate natural growth within existing settlement construction lines.

However, if NetanyahuQs policies were to damage U.S.-Israeli relations, the support for his policies would drop by 21 percentage pints.

Sixty-two percent of Israeli Jews recognize the existence of a Palestinian people; only among voters for Shas, the Jewish Home, and the National Union does the majority claim that there is no such thing as a Palestinian people. Because an overwhelming 71% of Israelis believe that most Palestinians do not recognize Israel as the state of the Jewish people, only 50% of Israelis believe that the Palestinians have the right to an independent state. Sixty percent of Israelis oppose a QPalestinians state that encompasses the territories conquered in 1967,Q even if there were Qofficial Palestinian recognition of Israel as the state of the Jewish people.

Fifty-nine percent of Israelis do not believe that the governmentQs current strategy to bring Gilad Shalit home is effective.

11. U.S.-Israel Relations:

Block Quotes:

"He Has a View"

Correspondent Shmuel Rosner wrote in the popular, pluralist Maariv (8/10): QIt is clear that the small storm generated by the leaked letter of Consul-General [in Boston Nadav Tamir] results from political gaps between him and the incumbent government in Jerusalem... Internal documents cannot be free of reflections of those ideas. It would be better to allow small embarrassments and not to expect consensus views from all Israeli representatives across the world. Tamir should not be reprimanded for conveying a true report, as he understands it. This is a diplomatQs task. His superiors may accept his recommendations or reject them politely. Their anger had better be turned to the leaker -- if he is known to them. Anyway, there isnQt much to QclarifyQ here.... They had better seek to strengthen the relations with Washington.

12. Mideast:

Block Quotes:

¶I. "AbbasQs Bully Pulpit"

The conservative, independent Jerusalem Post editorialized (8/10): QIn keeping with a long tradition of Qhelping Abu Mazen,Q Israel made it possible for Mahmoud Abbas's Fatah General Assembly to gather 2,000 delegates in Bethlehem beginning August 4. The assembly is an effort to demonstrate that Fatah remains the vanguard of the Palestinian polity. Delegates have come from around the Arab

world, save for Hamas-controlled Gaza. The atmosphere for the conference was auspicious.... For Israelis, what matters is that rather than demonstrating leadership, Abbas and Fatah made demagogic appeals to a Palestinian street that sees moderation as weakness. This self-defeating intransigence is a deep-seated facet of Palestinian political culture. Abbas had a bully pulpit to coax the population in a more moderate direction, yet he and other Fatah leaders took the easy road -- scapegoating Israel. Still, the assembly generated enough prevarication and dissimulation to perpetuate the pose that Fatah is a genuinely QmoderateQ alternative to Hamas.... When the incendiary rhetoric from Bethlehem is over, chances are unfortunately remote that Washington -- much less Europe -- will ease off on the red-herring issue of settlements to take Abbas to task for not using the assembly to preach peace, compromise, and coexistence. At times like this, it seems Qhelping Abu MazenQ has become an end in itself.

II. "Freezing for Failure"

Senior Middle East affairs analyst Zvi Bar'el wrote in the independent, left-Ha'aretz (8/9): QIt should be said from the onset: Do not freeze settlement construction, do not stop it in part or periodically, not for six months, not for a single day. As long as the U.S. administration does not present a comprehensive plan that explains its endgame -- what the end will look like and what the shape and character of the Palestinian state will look like -- the demand for a cessation of construction is pointless.... The demand for a cessation of settlement construction will have no impact on the political process as long as they are not telling the Israeli and Palestinian public what will happen with the half-million Israelis who already live in the West Bank and East Jerusalem.... The attempt to understand the American move as an action from the periphery inward -- a tactical move meant to lead to further moves, one slice at a time -- is leading toward a dead end and might even be dangerous as well.... It is not the [Israeli] public that needs to be encouraged; it is the right-wing government for whom the remnants of the Labor Party are serving as apologists.... But this is not the sort of government that is running Israel. Washington knows this, as every Israeli citizen does. Hence the need for a comprehensive plan that will be managed with precision and determination. Freezing the settlements is not a plan and is not a prescription.

III. "Illusion Shattered"

Dov Weisglass, who was former prime minister Ariel Sharon's top diplomatic advisor, wrote in the mass-circulation, pluralist Yediot Aharonot (8/10): QThe Fatah conference is being held at a time when the Israeli-Palestinian daily reality is not bad... The Palestinian Authority enjoys worldwide support, and the United States, Israel's greatest friend, looks more kindly upon the Palestinians than ever before. The Palestinians certainly have cause for satisfaction. And although they will not admit it, something has also changed in their attitude towards Israel after Hamas's rise to power in Gaza: The horrors of the "Iranian" lifestyle and the act of throwing Fatah activists from rooftops made it very clear to the Palestinians that their real trouble, as of now, threatens them from Gaza. One might expect, therefore, that the voices and the resolutions being issued from the Fatah conference would reflect to some degree the improved reality, and demonstrate the start of greater moderation, in practical terms. But the Palestinians hold true to form: an abundance of threatening and extremist slogans, mostly detached from reality and some foolish. For example, the resolution about QIsrael's responsibility for killing ArafatQ.... The reactions in Israel were predictable: the right wing finds in the statements made

at the conference further reinforcement of the eternal conclusion that there is no one to talk to and there will never be anyone to talk to, and since this is the case, [Jews] should continue to settle everywhere; the left wing tries to convince that an in-depth analysis of the Fatah discourse leads to the conclusion that Qit is not terrible.Q Both sides are wrong. There is no practical importance to the content of the talk or the resolutions passed at the conference, but the clear and disappointing conclusion that arises from them is that such a leadership is incapable of bravely and honestly facing its people, as required by the effort to obtain a final status arrangement with Israel.

Professor Eyal Zisser, the Chairman of the Department of Middle Eastern History at Tel Aviv University, wrote in the online service nanal0.co.il (8/9): QThe problem is that when you try to please everyone, the final result is that no one is pleased. That is what happened in the case [of FatahQs General Assembly] as well. Israel voiced its displeasure with the conferenceQs resolutions, but there were also many members of the Palestinian camp who were upset by resolutions that they felt were excessively moderate. One thing is clear: by trying to reach the lowest common denominator, the Palestinians refrained from making historic and daring resolutions. Either way, this conference will soon end and will be forgotten. In any event, it is powerless to change reality on the ground. FatahQs test, therefore, will be on the day after. The test will be how it tries to win the renewed support of the Palestinian street, which was given to Hamas. In the meantime until that happens, if ever, the Palestinians will continue to miss opportunities to promote their own people towards sovereignty and independence on the way to peace.

¶V. QHope from Bethlehem

Peace Now Secretary-General Yariv Oppenheimer wrote in Yediot Aharonot 8/10): Owhoever thought the Palestinians were about to join the Zionist Congress and swear allegiance to the State of Israel can find reasons to be disappointed; but whoever wishes to take a sincere and real look at reality can see the Fatah conference as a unprecedented positive sign of the Palestinian people's willingness and ability to make peace with Israel, while giving up the implementation of the right of return to the State of Israel. not easy to be a Fatah member in Palestinian society. After years of occupation, doubling the number of settlers and the construction of the wall deep in the heart of Palestinian territory, the Palestinian people's civilian political movement continues to preach non-violent struggle against the State of Israel and the occupation, while dealing with trends of violent religious extremism coming from the direction of Hamas, Hizbullah, and Iran. Sometimes, being a Fatah member in the eyes of the Palestinians is worse than being a leftist in the eyes of some of the Israelis.... The Fatah conference is not a conference of collaborators or of avowed lovers of Israel. At the conference in Bethlehem, the leaders of the Palestinian national struggle have gathered, who believe that peace with Israel is possible and desirable, and that the moderate and secular Palestinian liberation movement is the one that should lead the Palestinian people on its way to independence. We are best off seeing reality as it is, and exhausting every possibility of reaching an agreement now, with a pragmatic and moderate leadership, before it is replaced by a fanatic, religious leadership, which views violent jihad as the main means of battling against Israel.

MORENO